



UNITED STATES ATTORNEY'S OFFICE EASTERN DISTRICT OF VIRGINIA

ALEXANDRIA NEWPORT NEWS NORFOLK RICHMOND

CHUCK ROSENBERG, UNITED STATES ATTORNEY

FOR IMMEDIATE RELEASE:

September 15, 2006

Jim Rybicki
Public Information Officer
Phone: (703)842-4050 Fax: (703)549-5202
E-Mail: usavae.press@usdoj.gov
Website: www.usdoj.gov/usao/vae

Further Information Contact:
Elizabeth Watson (804) 819-5400

Two Richmond Residents Convicted by a Federal Jury in Health Care Fraud Scheme

(**Richmond, VA**) – Joseph F. Etienne, Jr., age 31, of Richmond, Virginia, and Valerie E. Hamilton, age 30, of Richmond, Virginia, were each convicted yesterday of Conspiracy to Commit Health Care Fraud. In addition to the conspiracy conviction, Etienne was convicted of 25 counts of Health Care Fraud. In addition to the conspiracy conviction, Hamilton was convicted of 11 counts of Health Care Fraud. Each will face a maximum term of ten years' imprisonment on each count when they are sentenced on December 18, 2006, by United States District Judge James R. Spencer. Etienne was also convicted of Possession of a Firearm by a Convicted Felon, for which he faces a maximum term of ten years' imprisonment. Chuck Rosenberg, United States Attorney for the Eastern District of Virginia; Virginia Attorney General Robert McDonnell, and Charles J. Cunningham, Special Agent-in-Charge of the Federal Bureau of Investigation announced the conviction.

The evidence showed that from March 2004 to June 2005, Etienne operated Tri-Cities Health Care ("Tri-Cities"), a durable medical equipment company in the Richmond area. The evidence further showed that after Etienne was terminated as a Medicaid provider under Tri-Cities, he conspired with his childhood friend, Valerie Hamilton, and opened another durable medical equipment and supply company named Metro Health and Supply ("Metro") in Richmond. The conspiracy and substantive health care fraud convictions resulted from the operation of Metro between July 2005 and March 2006. Under both Tri-Cities and Metro, the defendants used the recipient numbers of unwitting Medicaid recipients to engage in a scheme of billing for equipment and supplies not delivered (phantom billing); billing for equipment and supplies at a higher reimbursement rate than associated with the equipment or supplies (upcoding); and billing for equipment or supplies which were not medically necessary, such as a wheelchair for an ambulatory individual. The evidence showed that Etienne posed as a Registered Nurse and assumed the identities of others in order to further the schemes. The total losses for both schemes were over \$275,000 in the two years of the schemes.

Announcing this result, United States Attorney Rosenberg stated, “Etienne and Hamilton knowingly took advantage of a government program designed to help disadvantaged folks with their health care needs. The guilty verdicts will hold these two accountable and serve as a warning to others that it is a particularly bad idea to exploit vulnerable Medicaid recipients for personal enrichment.”

“I applaud all those involved in securing the convictions of Joseph Etienne and Valerie Hamilton for their criminal activities,” said Virginia Attorney General McDonnell. “The United States Attorney’s Office, the FBI, and our Medicaid Fraud Control Unit worked long hours to ensure that these convictions occurred. Today is a further demonstration of what can be accomplished when all levels of law enforcement work together to protect the people of Virginia.”

The case was investigated by the Federal Bureau of Investigation and the Medicaid Fraud Control Unit of the Virginia Attorney General's Office. Assistant United States Attorney Brian L. Whisler and Special Assistant United States Attorney Owen I. Ashman prosecuted the case for the United States.

###